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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 2565

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 5010

RUEHBJ/AMEMBASSY BEIJING PRIORITY 2766

RUEHKO/AMEMBASSY TOKYO PRIORITY 2631

RUEHIT/AMCONSUL ISTANBUL PRIORITY 3254

RHMFIA/CDR USCENTCOM MACDILL AFB FL PRIORITY

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

RUEHBS/USEU BRUSSELS PRIORITY

RHEHN/NSC WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUEKJCS/JOINT STAFF WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 000401

SIPDIS

SCA/CEN; EEB

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ENERGY FOR EKIMOFF/THOMPSON

COMMERCE FOR HUEPER

E.O. 12958: DECL: 03/30/2019

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SUBJECT: LONGTIME COMMERCIAL RESIDENT POSTULATES ON ROOTS
OF THE TROUBLED U.S.-TURKMEN RELATIONSHIP

Classified By: Charge Ambassador Richard Miles for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: A long-time Amcit commercial resident of Turkmenistan told a recent visitor that U.S. influence here has been curbed in part because of changes in U.S. policy over the last 15 years, but also because of the historical missteps of U.S. energy giants who abandoned difficult and costly sub-salt projects here in the 1990s. The failed effort to promote the construction of a trans-Caspian pipeline almost ten years ago also left Turkmen officials wondering if the United States could commit to a strong and lasting bilateral relationship, he said. In spite of the fact that so many of the faces have changed in the Turkmen Government, officials here still retain an institutional memory of perceived U.S. failures to establish itself here as a reliable, enduring partner in the country's development, he said. Although these opinions are the manager's own, and other factors undoubtedly have played a role, they remind us that current U.S. interests can be affected by past missteps.
END SUMMARY.

¶2. (C) On March 19, Mr. Edward Chow, a visiting scholar from the U.S.-based Center for Strategic and International Studies (CSIS) met with the American Citizen country manager for the German Bertling Logistics Company. The manager has a unique perspective on Turkmen business and politics, as he has lived and worked in Turkmenistan for more than 15 years. He described himself as an ethnic Kazakh and longtime student of Central Asian history, politics, and culture. Bertling's work in the oil and gas sector here is broad, and the company maintains bases in Cheleken, Yoloten, Nebit Dag, and Dovletabad, and provides services to state enterprises as well as foreign companies CNPC, Petronas, and Burren, he said.

¶3. (C) When asked for his opinion regarding why the Turkmen Government is not more receptive to an expanded U.S. commercial presence here, the manager identified three historical drivers that have limited the government's respect

for the United States, and said that these data points have not been forgotten. He further opined that European states were unlikely to fill the gap caused by the absence of a significant U.S. presence and the lack of regular, high-level government interaction between Turkmen and U.S. officials. The establishment of regular contact between President Berdimuhamedov and the U.S. President, however, would markedly improve the bilateral relationship as well as the commercial environment for U.S. companies here, he added.

PERSONAL PERSPECTIVE ON WHAT WENT WRONG

¶4. (C) He said the decline of American influence here began after 1995, when the decision was made to end the practice of issuing 10-year U.S. visas to qualifying Turkmen citizens. This had been a valuable leveraging tool for the Embassy and for the business community, because it was one of the few desirable things that government officials wanted that they could only get from the Embassy.

¶5. (C) He said that Exxon and Mobil's withdrawal from the Turkmenistan market in the late 1990s was also a big disappointment for the Government. The two companies had been doing exploration in the Amu Darya basin in eastern Turkmenistan, and also were doing work in Cheleken. According to the Bertling manager, however, once the companies ran into the sub-salt layers, they decided that additional expenditure and effort at that time would not be worth the trouble, and they both drew down their activities and then withdrew from Turkmenistan entirely. From the

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Turkmen perspective, he said, the two companies had not proven to be enduring partners who could be relied on in a long-term relationship. Regardless of the fact that Exxon-Mobil is one company and is now seeking onshore work here again, Turkmen officials continue to hold the belief that the company is not worthy of the long-term relationship it is seeking, he said.

THE TRANS-CASPIAN PIPELINE FAILURE

¶6. (C) The Bertling manager also commented on the ramifications of the Trans-Caspian pipeline proposal that the United States pressed for in the late 1990s and early 2000s. He said that Bertling had been the survey company for some of the preliminary project work, and said there had been endless confusion over the funds that were to be made available for the project, and what entity would hold the funds. Regardless, he said Turkmen officials had been confident that the involved Western government and commercial interests would follow through with the promises they made. He said both U.S. officials and energy giant Shell over-promised the political and financial support they could bring together to make the pipeline happen. In addition, in the latter stages of negotiations with the Turkmen Government, Shell attempted to convince pipeline proponents of the wisdom of contributing newly-discovered Azerbaijani gas into the proposed pipeline. This, however, became a major sticking point, as Turkmen officials had been convinced that the purpose of building the pipeline was to carry Central Asian gas to Western markets for the first time, not gas for the already-prosperous Azeris, he said.

¶7. (C) COMMENT: The country manager's views are his own, and these are certainly not the only events that negatively impacted U.S. efforts to develop rapport with the Government of Turkmenistan. Regardless, we have learned that cause and effect has a firm place in Turkmen foreign policy, so hearing these lessons of the past may help us avoid making such missteps as we seek involvement in Turkmenistan's energy sector. END COMMENT.

MILES